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In The

Supreme Court of the United States

October Term, 1976

86-1376

No.

RAYMOND ROHAUER and CECIL W. HULL,

*Petitioners,*

vs.

KILLIAM SHOWS, INC. and EDUCATIONAL  
BROADCASTING CORPORATION,

*Respondents.*

**PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS FOR THE  
SECOND CIRCUIT**

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In The

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No.

RAYMOND ROHAUER and CECIL W. HULL,

*Petitioners,*

vs.

KILLIAM SHOWS, INC. and EDUCATIONAL  
BROADCASTING CORPORATION,

*Respondents.*

PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS FOR THE  
SECOND CIRCUIT

Petitioners Raymond Rohauer and Cecil W. Hull respectfully pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit which reversed a judgment of the District Court in their favor and dismissed their complaint.

OPINIONS BELOW

The opinion of the Court of Appeals has not yet been reported and is set forth in full in the Appendix at 3a-25a. <sup>1</sup> The

1. Unless otherwise noted, all references are to the Appendix to this petition.



opinion of the District Court for the Southern District of New York is reported at 379 F. Supp. 723 (S.D.N.Y. 1974) and the portion thereof which deals with the question here presented is set forth in the Appendix at 26a-33a.

### **JURISDICTION**

The judgment of the Court of Appeals for the Second Circuit was made and entered on January 7, 1977 and a copy thereof is set forth in the Appendix at 1a-2a. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

### **QUESTION PRESENTED**

Where an author has granted exclusive motion picture rights to her copyrighted book under a contract whereby she agreed to renew the book copyright when the same accrued and to assign to the purchaser the exclusive motion picture rights thereunder, and pursuant to such contract a motion picture is produced and separately copyrighted, does the exhibition of that motion picture during the renewal term of copyright in the book constitute an infringement where the author has died prior to the accrual of the right to renew and the renewal copyright has been taken out by her statutory successor under 17 U.S.C. §24, who has not consented to such exhibition?

### **STATUTES INVOLVED**

Sections 7 and 24 of the Copyright Act, 17 U.S.C. §§7 and 24 are set forth in the Appendix at 35a-36a.

### **STATEMENT OF THE CASE**

This is one of the most important copyright cases that has arisen since this Court decided *Fred Fisher Music Co. v. M. Witmark & Sons* (318 U.S. 643) in 1943. Like that case, it involves the renewal provisions of the Copyright Act of 1909 (17

U.S.C. §24) in a context of the relationship between authors and their transferees. Its ultimate determination will have a significant impact on the families and dependents of authors in every area of the copyright field.

The facts are simple and are not in dispute.

Prior to May 15, 1925, Edith Maude Hull ("Mrs. Hull") wrote a novel entitled "The Sons of the Sheik". The novel was published in the United States on or about that date by Small, Maynard & Co., Inc. which obtained United States copyright therefor and assigned that copyright to Mrs. Hull in November, 1925. By instrument dated December 7, 1925, Mrs. Hull, for a consideration of \$21,000, sold and assigned to Joseph H. Moskowitz the exclusive worldwide motion picture rights to her book "together with the sole and exclusive right to make motion picture versions thereof", to secure copyright on any such motion picture and to "vend, exhibit, exploit and otherwise dispose of the same". Mrs. Hull further agreed "to renew or procure the renewal of the copyrights" in her book prior to their expiration and thereupon to assign to Moskowitz the motion picture rights for the renewal term.

Pursuant to this agreement, a successful silent motion picture entitled "The Son of the Sheik", starring Rudolph Valentino, was produced and released for exhibition in the United States in 1926. On August 24, 1926, the motion picture was registered in the Copyright Office by Feature Productions, Inc., an assignee of Moskowitz. That copyright was renewed on March 18, 1954 by the then proprietor of the copyright and, through a series of assignments, ultimately became vested in respondent Killiam Shows, Inc. ("Killiam") in 1968.

Mrs. Hull died in 1943. On May 22, 1952, the United States copyright in the novel was renewed by her sole surviving child, Cecil W. Hull ("Miss Hull"), one of the petitioners herein. On May 6, 1965, Miss Hull assigned to petitioner Rohauer "all of

her right, title and interest (if any) in and to the motion picture and television rights of every kind and character" under the renewal copyright in "The Sons of the Sheik".

On July 13, 1971, the motion picture was shown on television station WNET, owned by respondent Educational Broadcasting Corporation ("Broadcasting") and operating on Channel 13 in the New York metropolitan area. The video tape required for this exhibition was made by Broadcasting from a print of the film made available to it by Killiam. No license had been obtained from either of the petitioners, although Rohauer's attorney had informed Killiam in 1966 of his assignment from Miss Hull and had advised that any showing of the picture would constitute an infringement. Similar notice was given by Rohauer's counsel to Broadcasting the day before the first television showing. After this action was commenced, the picture was shown twice more on Channel 13 on October 11 and 16, 1971.

Petitioners claimed and the District Court held (379 F. Supp. 723 [S.D.N.Y. 1974]) that upon the expiration of the original term of copyright in the novel and Miss Hull's succession to the renewal term all rights of respondents and their predecessors to authorize the exhibition of the derivative motion picture terminated. Upon appeal by respondents that determination was reversed by the Court of Appeals for the Second Circuit, and the complaint was dismissed.

## REASONS FOR GRANTING THE WRIT

### I.

**The Court of Appeals has decided an important question of federal copyright law in a fashion that appears to conflict with prior decisions of this Court.**

Treating the question before it as one "of first impression", the Court of Appeals expressly found that question to be "of considerable importance despite the small amount of money here at stake" (4a-5a).<sup>2</sup> While this important question may be one which has not heretofore been squarely presented for decision by this Court, the principles enunciated and the language employed in this Court's prior holdings are clearly applicable to the present case and should have been treated by the Court of Appeals as controlling.

At the outset, this Court has emphasized that the right of renewal under Section 24 is, during the original term of copyright, a bare expectancy. *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960). It was there stated (at pp. 377-378):

"Section 24 reflects, it seems to us, a

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2. The decision of the Court of Appeals affects not only books, but plays, musical compositions and every type of copyrightable material which is susceptible of becoming the basis for a derivative work. Because this case was in essence tried on stipulated facts, no effort was made at the trial to show trade practices which have prevailed in the motion picture industry for decades. However, the *amicus* brief submitted to the Court of Appeals by United Artists Corporation in support of the appellants' position showed quite clearly that industry practice had for many years accorded with the District Court's ruling. That had likewise been the view of leading experts in the copyright field. See, e.g., 2 Nimmer on *Copyright* §118 (1975); Bricker, "Renewal and Extension of Copyright", 29 So. Cal. L. Rev. 23 at 43 (1955); Ringer, "Renewal of Copyright" (Study No. 31) in U.S. Copyright Office, Copyright Law Revision Studies 29-31 at 109, 169 (1961).



consistent policy to treat renewal rights as expectancies until the renewal period arrives. . . . Until that time arrives, assignees of renewal rights take the risk that the rights acquired may never vest in their assignors. A purchaser of such an interest is deprived of nothing. Like all purchasers of contingent interests, he takes subject to the possibility that the contingency may not occur."

Implicit in the holding of *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643 (1943) — to the effect that a renewal copyright may be effectively assigned during the original term so long as the author survives until the right to renew accrues — is the proposition that grants made by an author during the original term of rights under the renewal expectancy terminate in the event the author should die during the original term. That was made explicit by this Court in *Miller Music Corp., supra*, when it said (at p. 375):

" . . . when the author dies intestate prior to the renewal period leaving no widow, widower, or children, the next of kin obtain the renewal copyright *free of any claim founded upon an assignment made by the author in his lifetime*. These results follow not because the author's assignment is invalid, but because he had only an expectancy to assign; and his death, prior to the renewal period, terminates his interest in the renewal which by §24 vests in the named classes." (Emphasis added.)

Indeed, the Court of Appeals has heretofore adopted this very reasoning in *Rose v. Bourne, Inc.*, 279 F.2d 79 (2nd Cir.), *cert. denied*, 364 U.S. 880 (1960) where it declared (at p. 80):

"It is settled that prior to the renewal period

an author's interest in the renewal rights is only an expectancy which can be defeated by his death prior to the commencement of the renewal period."

The basic philosophy expounded by this Court in *Miller Music Corp., supra*, and at least by implication in *Fred Fisher Music Co., supra*, should govern the disposition of this case. The conclusion dictated by those decisions may not be avoided, as the Court of Appeals has endeavored to do, by the mere observation that they involved the rights of persons "claiming full assignment . . . of the renewal term of an underlying copyright" (14a). Once it is acknowledged that the right to renew is nothing more than an expectancy, it follows inexorably that any grant of rights with respect thereto made during the original term of copyright must of necessity be wholly ineffective when that expectancy is cut off by the death of the grantor prior to the date when the right to renew accrues. Any attempt to distinguish between a "full assignment" of such an expectancy, and a partial assignment of rights thereunder, is not only lacking in substance, but inherently illogical.<sup>3</sup>

## II.

**The Court of Appeals has wrongly decided an important question of federal copyright law which may not have been, but should be, settled by this Court.**

In the event it is felt that the prior decisions of this Court did not adequately deal with, or left open for future

3. Under the decision of the Court of Appeals a book publisher whose contract with an author contained provisions with respect to renewal copyright similar to those in the instant case, and who with the author's "consent" had arranged for and copyrighted a translation of that book, would find himself in a position where, as a result of the author's death during the original term, he could, after renewal by the author's statutory successor, freely reprint and exploit the translation, since it was a derivative work, but would have no right to reprint and exploit the book itself.

determination, the precise question presented by this case, it is submitted that the answer devised by the Court of Appeals is the wrong one, and should be set aside by this Court. This is required because that court, having disregarded the contingent nature of the right to renew a copyright prior to its accrual, misconstrued its character and scope once the right to renew has come into being and been exercised by a deceased author's statutory successor.

Even prior to the enactment of the Copyright Act of 1909, it had become settled that a renewal copyright was a "new estate", rather than a continuation or extension of the original term. That concept finds its judicial roots in *Pierpont v. Fowles*, 19 Fed. Cas. 652, 660 (C.C. Mass. 1846), decided under the 1831 Act. It was first reaffirmed under the 1909 Act in *White-Smith Music Publishing Co. v. Goff*, 137 F. 247, 249 (1st Cir. 1911) and adopted by the Second Circuit in *Silverman v. Sunrise Pictures*, 273 F. 909, 911 (1921).

Moreover, this "new estate" when acquired by the statutory successor of a deceased author, has repeatedly been recognized as being free of, and unencumbered by, any grants made by the author during his lifetime. Thus, the Second Circuit in *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469, cert. denied, 342 U.S. 849 (1951), is authority for the proposition that

"A renewal copyright creates a new estate and the few cases that have dealt with the subject assert that the new estate is clear of all rights, interests or licenses granted under the original copyright" (at p. 471).

This Court's decision in *Miller Music Corp., supra*, clearly points (at p. 375) in the same direction. In reliance thereon, the Second Circuit has but recently reaffirmed that where renewal rights are assigned during the original term, "the family in the event of the author's death takes free and clear of the

assignment." *Bartok v. Boosey and Hawkes, Inc.*, 523 F.2d 941 at 949 fn. 12 (1975).

The Court of Appeals in the instant case attempted to bypass these long established concepts of copyright law by reliance on §7 of the Act, which grants copyright protection to derivative works produced "with the consent" of the proprietor of an underlying copyrighted work. In construing that section, however, the court emasculated its "force and validity" clause by, in effect, writing the word "force" out of the statute. Yet only a few months previously a different panel of that court had relied on the very same language as the basis for finding the performance of a mutilated version of a derivative work an invasion of the copyright in the underlying work. *Gilliam v. American Broadcasting Companies, Inc.*, 538 F.2d 14 (2nd Cir. 1976). There, it had said (at p. 20):

"However, Section 7 limits the copyright protection of the derivative work, as works adapted from previously existing scripts have become known, to the novel additions made to the underlying work, *Reyher v. Children's Television Workshop*, 533 F.2d 87 (2nd Cir. 1976), and the derivative work does not affect the 'force or validity' of the copyright in the matter from which it is derived. See *Grove Press, Inc. v. Greenleaf Publishing Co.*, 247 F. Supp. 518 (S.D.N.Y. 1965)."

By holding, as it did, that an author's "consent" for the production of a derivative work given during the original term, when coupled with his contractual undertaking to renew the underlying copyright and to assign rights thereunder, when acquired, to the copyright proprietor of the derivative work, carries over into, and is operative during, the renewal term of copyright in the underlying work, even though the author has died and the renewal is taken out by and in the name of a



statutory successor, the Court of Appeals materially impaired the "force" of the renewal copyright. The exclusive right to dramatize the underlying work vested in the proprietor of the renewal copyright by §1(b) of the Act was taken away, and various of the other exclusive rights granted by §1 were rendered non-exclusive.

Keeping in mind the well settled principle of copyright law that "the protection afforded by §7 is limited solely to the author's additions to the prior underlying work", *Reyher v. Children's Television Workshop*, 533 F.2d 87, 90 (2nd Cir. 1976), this impairment of the renewal copyright proprietor's exclusivity was particularly egregious. As justification for its ruling, the Court of Appeals placed reliance on its prior decision in *Edmonds v. Stern*, 248 F. 896 (2nd Cir. 1918). But since *Edmonds* did not relate in any way to §24, or have anything to do with a renewal copyright, such reliance far from being "a slight extension" (18a) actually represented a judicial giant step into a previously unexplored area of conflicting policy considerations. This Court in *Miller Music Corp., supra*, had refused to embark on any such path (at p. 376) and its opinion in that case concluded with the sage observation (at p. 378):

"We have said enough, however, to indicate that there is symmetry and logic in the design of §24. Whether it works at times an injustice is a matter for Congress, not for us."

Within recent months Congress has adopted the Copyright Revision Act of 1976 (90 Stat. 2541) and in so doing has enacted a wholly new plan for the protection of authors and their families. This new plan involves but a single term of copyright that is to continue for the life of the author plus 50 years after his death, replacing the concept of an initial term of 28 years and a renewal term of an additional 28 years which was embodied in the 1909 Act. Included in the new statute is a provision which, for the first time, creates a right on the part of an author or, if

he be deceased, his family, to terminate any grant of rights under the copyright between the 35th and 40th year following the date of execution of such grant, subject to the proviso that duly authorized derivative works may continue to be utilized after termination of the grant takes place (§203).<sup>4</sup>

However, Congress has made it clear that the provisions of the new §203 — which will first become operative in the year 2013 — represent a marked departure from the past and are designed not to codify existing law, but to change it radically. S. Rept. No. 473, 94th Cong. 1st Sess. at p. 108 (1975). They reflect what is there denominated as "a practical compromise" — one that has been said to be an attempt "to balance the interests of individual authors and their transferees *in a fairer way than the present renewal provisions*" (emphasis added). Second Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1975 Revision Bill, October-December 1975, ch. XI, p. 10.

Moreover, both the extended single term of copyright and the "termination" right created by §203 of the new statute will by its terms apply only to works created on or after January 1, 1978. Those works which on that date are in their original term of copyright — *i.e.*, all those that have been published and copyrighted since January 1, 1950, estimated to approximate 6,000,000 (S. Rept. No. 473, *supra*, at p. 122) — will continue to be governed by a renewal provision (§304[a]) which is in all respects identical with the present §24. Consequently, adoption of the 1976 Act has in no sense rendered academic the legal question which this case presents. Instead, it is one that, until

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4. The new statute also extends the term of subsisting renewal copyrights from 28 to 47 years (§304[b]). To preserve for the families of authors the benefit of this additional 19 years of protection a "termination" right essentially similar to that contained in §203, and subject to the same conditions, has been incorporated into §304(c).

finally resolved by this Court, will be with us well into the twenty-first century.<sup>5</sup>

### CONCLUSION

The Court of Appeals has failed to recognize that this case falls within the ambit of, and its disposition is governed by, this Court's language in *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960). If, however, that decision is not controlling, the Court of Appeals, in its attempt to effect "a proper reconciliation between the grant of derivative copyright in §7 and the final proviso of §24 with respect to renewals of underlying copyrights" (14a), had done violence to the statutory language, and has overturned principles of copyright law that have long been all but universally accepted. Because of the grave importance to copyright owners generally of the ultimate determination of the issue which this case squarely presents, a writ of certiorari should issue to review the judgment and opinion of the United States Court of Appeals for the Second Circuit.

Respectfully submitted,

s/ Arthur H. Schwartz  
*Attorney for Petitioners*

Herbert P. Jacoby  
Burns, Jackson, Miller  
Summit & Jacoby  
*Of Counsel*

5. See Temporary Report of Committee No. 307 (Authors), Section on Patents, Trademarks and Copyrights, American Bar Association (April, 1977), saying that: "This holding, which upsets the generally accepted copyright industry view concerning the need of an assignee to purchase renewal rights from the statutory heirs where the author dies prior to the renewal term, will have a major impact on authors despite the passage of the new Copyright Act. Under the new Act, the renewal system continues for all works copyrighted prior to January 1, 1978, and, therefore, is applicable for the next twenty-eight years." (at pp. 2-3).

### APPENDIX

## JUDGMENT OF THE COURT OF APPEALS UNITED STATES OF COURT OF APPEALS

FOR THE

SECOND CIRCUIT

Filed January 7, 1977  
A. Daniel Fusaro, Clerk

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse in the City of New York, on the seventh day of January, one thousand nine hundred and seventy-seven.

Present:

HON. STERRY R. WATERMAN

HON. HENRY J. FRIENDLY

HON. WILLIAM H. MULLIGAN

Circuit Judges,

76-7177

Raymond Rohauer and Cecil W. Hull,  
Plaintiffs-Appellees

v.

Killiam Shows, Inc., Paul Killiam Educational Broadcasting Corporation, and The Bowery Savings Bank,  
Defendants

Killiam Shows, Inc., Educational Broadcasting Corporation,  
Defendants-Appellants.

*Judgment of the Court of Appeals*

Appeal from the United States District Court for the Southern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged, and decreed that the judgment of said District Court be and it hereby is reversed with instruction to dismiss the complaint in accordance with the opinion of this court with costs to be taxed against the plaintiffs-appellees.

A. DANIEL FUSARO  
Clerk

by  
Vincent A. Carlin  
Chief Deputy Clerk

Docket as a Judgment  
# 77,281 on  
Feb. 15, 1977

A true copy,  
s/ A. Daniel Fusaro  
Clerk

**OPINION OF THE COURT OF APPEALS****UNITED STATES COURT OF APPEALS**

**FOR THE SECOND CIRCUIT**

—♦♦—  
No. 129—September Term, 1976.

(Argued November 18, 1976    Decided January 7, 1977.)

Docket No. 76-7177  
—♦♦—

RAYMOND ROHAUER and CECIL W. HULL,  
*Plaintiffs-Appellees,*  
v.

KILLIAM SHOWS, INC., PAUL KILLIAM,  
EDUCATIONAL BROADCASTING CORPORATION, and  
THE BOWERY SAVINGS BANK,  
*Defendants,*

KILLIAM SHOWS, INC., and  
EDUCATIONAL BROADCASTING CORPORATION,  
*Defendants-Appellants.*  
—♦♦—

**B e f o r e :**

WATERMAN, FRIENDLY and MULLIGAN,  
*Circuit Judges.*  
—♦♦—

Appeal from a judgment of the District Court for the Southern District of New York, Lawrence W. Pierce, *Judge*, entering final judgment in favor of plaintiff Rohauer against defendants Killiam Shows, Inc. and Educational Broadcasting Corporation in the sum of \$2,250 as damages for copyright infringement. The judgment, entered after rendition of a magistrate's report on the



*Opinion of the Court of Appeals*

amount of damages, was based upon an interlocutory judgment of Judge Bauman, 379 F. Supp. 723 (S.D.N.Y. 1974), upholding the claim of Rohauer, as assignee of the holder of a renewal copyright on the underlying work, against Killiam Shows, Inc., as assignee of the holder of a renewal copyright upon a derivative work, and Educational Broadcasting Corporation, as Killiam Shows' licensee.

Reversed with directions to dismiss the complaint.

---

PETER JASZI, Esq., Washington, D.C., and Jeffrey Squires, Esq., Washington, D.C. (Abraham Fuss, Esq., and Laitman, Mathews & Magidson, Esqs., New York, N.Y., of Counsel), *for Appellants*.

HERBERT P. JACOBY, Esq., New York, N.Y. (Burns & Jacoby, Esqs., of Counsel), *for Appellees*.

PHILLIPS, NIZER, BENJAMIN, KRIM & BALLON, Esqs., New York, N.Y. (Gerald Meyer, Esq., Alan A. Benjamin, Esq., and Thomas G. Jackson, of Counsel), *for United Artists Corporation, Amicus Curiae*.

IRWIN KARP, Esq., New York, N.Y., *for The Authors League of America, Inc., Amicus Curiae*.

---

FRIENDLY, Circuit Judge:

This well briefed and argued appeal raises a question of copyright law of first impression.<sup>1</sup> The question is of

<sup>1</sup> Appellants loudly assert this to be so. Appellees concede we have a case of first impression but only "in the strictest possible sense." For reasons later developed, we think it is a case of first impression *simpliciter*.

*Opinion of the Court of Appeals*

considerable importance despite the small amount of money here at stake. The issue is this: When the author of a copyrighted story has assigned the motion picture rights and consented to the assignee's securing a copyright on motion picture versions, with the terms of the assignment demonstrating an intention that the rights of the purchaser shall extend through a renewal of the copyright on the story, does a purchaser which has made a film and obtained a derivative copyright and renewal copyright thereon infringe the copyright on the story if it authorizes the performance of the copyrighted film after the author has died and the copyright on the story has been renewed by a statutory successor under 17 U.S.C. § 24, who has made a new assignment of motion picture and television rights? As has been so often true in cases arising under the Copyright Act of 1909, neither an affirmative nor a negative answer is completely satisfactory. A court must grope to ascertain what would have been the thought of the 1909 Congress on an issue about which it almost certainly never thought at all. *See Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975). In returning an affirmative answer to the question posed, Judge Bauman recognized that the negative would not be illogical, *see* 379 F. Supp. at 727. While we recognize that an affirmative answer likewise is by no means illogical, we believe a negative answer is more in keeping with the letter and purposes of the statute as best we can discern them.

There is no dispute about the facts. Sometime before May 15, 1925, Edith Maude Hull (Mrs. Hull), a British subject, wrote a novel entitled "The Sons of the Sheik." The novel was published in the United States about that time by Small, Maynard & Co., Inc., which obtained a United States copyright, assigned by it to Mrs. Hull in November 1925. By an instrument dated December 7, 1925, Mrs. Hull, as Seller, for a consideration of \$21,000, granted,



*Opinion of the Court of Appeals*

sold and assigned to Joseph H. Moskowitz, as Purchaser, all the motion picture rights to the story for the entire world, "together with the sole and exclusive right to make motion picture versions thereof," to secure copyright on the films, and to "vend, exhibit, exploit and otherwise dispose of the same." The Seller agreed "to renew or procure the renewal of the copyrights" in the story prior to their expiration and thereupon to assign to the Purchaser the motion picture rights for the renewal term.<sup>2</sup>

Pursuant to this agreement, a highly successful silent motion picture entitled "The Son of the Sheik," starring Rudolph Valentino, was produced and released for exhibition in the United States in 1926. On August 24, 1926, the picture was registered in the Copyright Office by and in the name of Feature Productions, Inc., an assignee of Moskowitz. This copyright was renewed on March 18, 1954, in the name of Artcinema Associates, Inc., the then proprietor of the copyright; the renewal copyright was sold in 1961 to Gregstan Enterprises, Inc., a corporation headed by Paul Killiam, and was assigned by Gregstan to the defendant Killiam Shows, Inc. (hereafter Killiam) in 1968.

Mrs. Hull died in 1943. On May 22, 1952, the United States copyright in the novel was renewed in the name of her daughter, Cecil Winstanley Hull (Miss Hull), a party plaintiff herein, the author's sole surviving child. On May 6, 1965, Miss Hull assigned to plaintiff Rohauer all of her "right, title and interest (if any) in and to the motion picture and television rights of every kind and character throughout the world and in all languages" to "Sons of

<sup>2</sup> The appellants concede that because of Mrs. Hull's death before the accrual of the right to a renewal of the United States copyright in the novel, they could not obtain specific enforcement of this agreement in respect of such copyright; they rely on the clause as demonstrating an intention of the parties, which appellees do not dispute, that the Purchaser should be entitled to the motion picture rights both for the original and for any renewal term.

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the Sheik." Rohauer paid 446 pounds 10 shillings (then the equivalent of \$1250) for this assignment.

On July 13, 1971, the motion picture was shown on television station WNET, owned by defendant Educational Broadcasting Corporation (hereafter Broadcasting) and operating on Channel 13 in the New York metropolitan area. The videotape required for this exhibition was made by Broadcasting from a print of the film made available to it by Killiam. No license had been obtained from plaintiffs Rohauer or Miss Hull, although Rohauer's attorney had informed an officer of Killiam in 1966 of his assignment from Miss Hull and had advised that any showing of the picture would constitute an infringement. Similar notice was given by Rohauer's counsel to Broadcasting the day before the first television showing. After this action was commenced the film was shown twice more on Channel 13.

The plaintiffs claimed and the District Court held, 379 F. Supp. 723 (S.D.N.Y. 1974), that upon the expiration of the original term of the copyright in the novel and Miss Hull's succession to the renewal term, all rights of defendants and their predecessors to authorize the exhibition of the motion picture terminated. Defendants-appellants contend that while after the expiration of the original term of the copyright in the novel and the daughter's succession, no new motion picture versions could lawfully be made on the basis of the 1925 grant from Mrs. Hull, their predecessors and they were entitled to renew the copyright on a film already made and copyrighted and to authorize its exhibition.

## I

In endeavoring to answer the question here posed, we turn first to the words of the statute. Derivative copyright

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is provided for in 17 U.S.C. § 7, which states in pertinent part:

Compilations or abridgments, adaptations, arrangements, dramatizations, translations, or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works . . . shall be regarded as new works subject to copyright under the provisions of this title; but the publication of any such new works shall not affect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to imply an exclusive right to such use of the original works, or to secure or extend copyright in such original works.

Section 24 of title 17 begins by stating that "[t]he copyright secured by this title shall endure for twenty-eight years from the date of first publication." An initial proviso states that in several cases there enumerated, including "any work copyrighted . . . by an employer for whom such work is made for hire," the proprietor of the copyright shall be entitled to renewal and extension for a further twenty-eight year term. The problem here arises from a second proviso, stating in pertinent part:

That in the case of any other copyrighted work . . . the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, . . . shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright . . . .

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The thrust of the portion of § 7 down to the semicolon—and it is a strong thrust—is rather clear.<sup>3</sup> Doubtless aware, even in those simpler days, that new versions of copyrighted works might involve a degree of intellectual effort and expense quite as great as or considerably greater than the contribution of the author of the underlying work, Congress provided that derivative works "shall be regarded as new works subject to copyright under the provisions of this title" (emphasis supplied); plaintiffs-appellees do not dispute that the current proprietor of such a copyright, if the work was originally copyrighted as a work "made for hire", is entitled to effect a renewal of the derivative copyright under § 24. *Shapiro, Bernstein & Co. v. Bryan*, 123 F.2d 697 (2 Cir. 1941); *Picture Music, Inc. v. Bourne, Inc.*, 457 F.2d 1213 (2 Cir.), cert. denied, 409 U.S. 997 (1972).

When we look to the second half of the sentence, taking the subjects in reverse order, we find that defendants-appellants are not attempting "to secure or extend copyright" in Mrs. Hull's original work. Likewise they do not assert that Killiam's derivative copyright implies "an exclusive right to such use of the original works"; they con-

<sup>3</sup> The 1909 Copyright Act was the first in this country to provide explicit protection for derivative works, although § 5 of the 1891 Act had provided that new "alterations, revisions, and additions" made to books of foreign authors could be copyrighted, 26 Stat. 1108; § 4 of the 1865 Act provided that the "books" subject to copyright under the 1831 Act included "any second or subsequent edition which shall be published with any additions," 13 Stat. 540; and the 1856 Act made explicit the copyright protection of dramatic compositions, 11 Stat. 138, although the right to dramatize an underlying work was not reserved to the author of the work until 1870, 16 Stat. 212. Protection for derivative works was further provided under case law, which considered compilations, digests, and translations as among the works subject to copyright, see *Gray v. Russell*, 10 Fed. Cas. 1035 (No. 5,728) (C.C.D. Mass. 1839) (Story, J.); *Banks v. McDivitt*, 2 Fed. Cas. 759 (No. 961) (C.C.S.D.N.Y. 1875); *Shook v. Rankin*, 21 Fed. Cas. 1335 (No. 12,804) (C.C.N.D. Ill. 1875).



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cede that any such exclusive right would rest on the agreement of December 7, 1925 and at least implicitly that any such exclusivity, as distinguished from a right of continued use, terminated with the original term of the copyright on the novel. Likewise, they do not assert that the publication of the derivative work has any effect on the "validity" of any subsisting copyright. Plaintiffs say, however, that defendants' acts do affect the "force" of Miss Hull's renewal copyright on the novel, since the defendants are invading their exclusive right under § 1 of the Copyright Act to make copies of the work; to "make any other version thereof, if it be a literary work; to dramatize it if it be a nondramatic work"; to make any "transcription or record" of the underlying work from which it might be exhibited or produced in whole or part; and to perform the work in public for profit. Each exhibition of the Valentino film presumably thus constitutes a "dramatization" of the underlying story exclusively reserved to plaintiffs, see *Kalem Company v. Harper Brothers*, 222 U.S. 55, 61 (1911) (Holmes, J.), and an unauthorized "copying" of the underlying story, see *Patterson v. Century Productions, Inc.*, 93 F.2d 489 (2 Cir. 1937), *cert. denied*, 303 U.S. 655 (1938). On a parity of reasoning creation of any new prints of the film presumably amounts to manufacturing a new "transcription or record" of the underlying novel, see *Sheldon v. Metro-Goldwyn Pictures Corporation*, 106 F.2d 45, 52 (2 Cir.), *cert. denied*, 308 U.S. 617 (1939), *aff'd* 309 U.S. 390 (1940); *Metro-Goldwyn-Mayer Distributing Corporation v. Bijou Theatre Co.*, 59 F.2d 70, 73 (1 Cir. 1932). In addition, the Authors League of America, Inc. argues in its amicus brief that the "force" of the renewal copyright on an underlying work includes the proprietor's right to "refrain from vending or licensing" and "simply . . . to exclude others from using his property," *Fox Film Corp. v.*

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*Doyal*, 286 U.S. 123, 127 (1932), including preventing any public exhibition for profit of the derivative work.

Defendants answer that sufficient "force" is given to the renewal copyright on the novel if it is held to prevent any new or "second generation" derivative works, without going to the extent of holding that the owner of the derivative copyright may not "print, reprint, publish, copy, and vend the copyrighted work" represented by the derivative copyright, along with others whom the new owner of the underlying copyright may license to make derivative works not infringing the "new matter" added by the owner of the derivative copyright.

A legislative history of the 1909 Copyright Act edited and compiled by E. Fulton Brylawski and Abe Goldman which became available only late in 1976,<sup>4</sup> after this appeal had been argued, indicates to us that the "force or validity" clause of § 7 has no bearing on the problem here at issue. In the bills introduced on May 31, 1906, § 7 [then § 6] read as follows:

Sec. 6. That additions to copyrighted works and alterations, revisions, abridgments, dramatizations, translations, compilations, arrangements, or other versions of works, whether copyrighted or in the public domain, shall be regarded as new works subject to copyright under the provisions of this Act; but no such copyright shall affect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to grant an exclusive right to such use of the original works.

The clear import of the "but" clause was to protect an author of an original work against two risks thought to be

<sup>4</sup> Legislative History of the 1909 Copyright Act (E. Brylawski & A. Goldman, eds.) (Fred B. Rothman & Co. 1976).

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possible as a result of the recognition of derivative copyright. Since the bills as they then stood did not contain the qualification "when produced with the consent of the proprietor of the copyright in such works", it was necessary to provide that derivative copyright should not "be construed to grant an exclusive right to such use of the original works"; such exclusive use would result only from contractual arrangements. The other objective was that nothing done by the proprietor of the derivative copyright should impair the underlying copyright.

Most of the discussion of the derivative copyright section focused on the concern that recognition of derivative copyright might extend the duration of the copyright in the original work. After some discussion whether this did not require a provision that derivative copyright should cease on the expiration of the underlying copyright,<sup>5</sup> the problem was ultimately met by the addition of the final words, "or to secure or extend copyright in such original works."<sup>6</sup>

The change in the language of the "force or validity" clause—from "no such copyright shall affect" to "the publication of any such new works shall not affect"—was due to a comment by Mr. W. B. Hale, representing the American Law Book Company at Joint Hearings before the House and Senate Committees on Patents on March 26,

<sup>5</sup> See Stenographic Report of the Proceedings of the Librarian of Congress' Conference on Copyright, 1st Session, June 1, 1905, reprinted in Legislative History, *supra* note 4, at C106-108.

<sup>6</sup> The first Kittredge bill, S.8190, introduced on January 29, 1907, included the phrase "when produced with the consent of the proprietor of the copyright in such works" and the final phrase "or to secure or extend," etc. However, the "force or validity" clause still began "but no such copyright." This pattern was followed by the second Kittredge bill, S.2900, introduced December 18, 1907, and in the other bills introduced prior to March 1908 (H.R. 25133, Rep. Currier, January 29, 1907; H.R. 243, Rep. Currier, December 2, 1907; S.2499, Sen. Smoot, December 16, 1907; R.H. 11794, Rep. Barchfeld, January 6, 1908).

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1908 (Legislative History K78). Addressing himself to the Kittredge bill, *see* note 6, Mr. Hale testified as follows:

*Mr. Hale.* . . .

There is another verbal criticism I should like to make in section 6 of the Kittredge bill, which also relates to compilations, abridgments, etc.

*The Chairman [Senator Smoot].* I think it is the same in the other bills.

*Mr. Hale.* Yes; it is the same in all the bills. I heartily agree with and am in favor of that section; but in line 12, in lieu of the words "but no such copyright shall effect the force or validity," etc., I would prefer to substitute these words: "and the publication of any such new work shall not affect the copyright," etc.

That is to meet this situation. It is the publication of a book without copyright protection that forfeits the copyright, or the publication of a book without proper notice, or anything of that kind. Under the act, as it stands now, it says the copyright shall not affect it. I would like to meet the case of a new compiled work, within the meaning of this clause, that is not copyrighted, or where, by reason of some accident the copyright fails. That should not affect the original copyrights in the works that have entered into and formed a part of this new compiled work. It does not change the intent of the section in any way.

This makes clear,<sup>7</sup> as indeed a close reading of the language of what is now § 7 would do alone, that the "force

<sup>7</sup> The House report accompanying the final version of the 1909 bill, H.R. Rep. No. 2222, 60th Cong., 2d Sess. 10 (accompanying H.R. 28192) noted simply—and incompletely:

Section 6 reenacts existing law and permits the copyrighting of abridgments and new versions of works, or works republished with



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or validity" clause has no bearing on the problem here before us, that is rather how far an author's consent under the first clause of § 7 continues to authorize publication of the copyrighted derivative work during a renewal term of the underlying copyright secured by a statutory successor under § 24.

II.

Turning to the precedents, we do not find that any of the Supreme Court decisions discussed at length in the briefs, primarily *Fox Film Corporation v. Knowles*, 261 U.S. 326 (1923), *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643 (1943), *De Sylva v. Ballentine*, 351 U.S. 570 (1956), and *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960), has any real bearing on the issue here before us, either in holding or in opinion. All these cases were concerned with the relative rights of persons claiming full assignment or ownership of the renewal term of an underlying copyright. None involved the question here presented of effecting a proper reconciliation between the grant of derivative copyright in § 7 and the final proviso of § 24 with respect to renewals of underlying copyrights.

Appellees contend that even if this be so, the question here at issue has been settled in their favor by lower court decisions, notably *Fitch v. Shubert*, 20 F.Supp. 314 (S.D.N.Y. 1937); *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469 (2 Cir.), cert. denied, 342 U.S. 849 (1951); and *Sunset Securities Company v. Coward McCann, Inc.*, 297 P.2d 137 (Dist. Ct. of Appeal 2d Dist. 1956), vacated, 47 Cal. 2d 907, 306 P.2d 777 (1957). Apart from the fact

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new matter, but provides that such copyright shall give no exclusive right to the use of the original works or in any way extend the copyright on such original works.

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that none of these cases except *Ricordi* would bind us as a precedent, we do not find that any of them decided the question here at issue.

The *Fitch* case involved a dispute between the plaintiff Richard W. Fitch who, as next of kin of the author Clyde Fitch, had obtained a renewal copyright after Clyde Fitch's death on a play called "Barbara Frietchie, The Frederick Girl," and the defendants who had produced a musical version of the play, known as "My Maryland." Clyde Fitch had died intestate without widow or child in 1909, years before the expiration in 1928 of the original term of the copyright in the play. His interest in the initial term passed first to his mother and, after her death, by her bequest to the Actors' Fund of America. In 1925, contemplating the production of an operetta based on "Barbara Frietchie" the Shuberts negotiated a license agreement with the Actors' Fund; the operetta was first produced in 1927, and was leased by the Shuberts for amateur performances over many years thereafter. In 1927 Richard Fitch renewed the copyright on the play and, after the Shuberts had mounted another production, sued them in 1937 for infringement. Although the ultimate holding was that the defendants had acquired a license from the plaintiff by direct dealings with him in the renewal term, Judge Patterson did say, 20 F.Supp. at 315.

[I]t is clear that the plaintiff acquired a new and independent right in the copyright, free and clear of any rights, interests, or licenses attached to the copyright for the initial term. . . . It is evident therefore that all rights which the defendants acquired in 1925 to use the Fitch play as the basis of a musical operetta expired when the copyright for the original term expired in 1928 and when a new grantee appeared as owner of the Fitch play for the renewal term.

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However, this was said in a case where without dispute the original license agreement was limited to the first term; not only did the license agreement make no reference to renewal rights, *Epoch Producing Corporation v. Killiam Shows, Inc.*, 522 F.2d 737, 747 (2 Cir. 1975), *cert. denied*, 424 U.S. 955 (1976), but no one could have meant it to do so. The Shuberts had not obtained the license agreement from an author who could contemplate renewal, but from a charitable grantee after the author's death, when the renewal rights had passed by statute to the next of kin surviving at the end of the original term.

*Ricordi* was a suit by G. Ricordi & Co. for a declaratory judgment against Paramount Pictures, Inc. The case involved the story, play and opera entitled "Madame Butterfly." The novel was written in 1897 by John Luther Long, published that year in Century Magazine and copyrighted by the Century Company. In 1900 David Belasco wrote a play with the consent of the copyright owner which, however, was not copyrighted until 1917. In 1901 Long and Belasco entered into a contract with Ricordi giving it the exclusive right to make a libretto for an opera of Belasco's dramatic version of Madame Butterfly. In 1904 Ricordi copyrighted the famous opera composed by Puccini and subsequently secured an assignment from Puccini's son of the renewal copyright therein. In 1925 Long obtained a renewal of the copyright on his novel and in 1932, subsequent to Long's death, his administrator granted the motion picture rights therein to Paramount. In the same year, with the Belasco play still in its first copyright term, Paramount obtained from the trustee of Belasco's will an assignment of the motion picture rights to the play; no renewal of the copyright in the play was ever effected. Ricordi sought a declaration that it was entitled to make a motion picture of the opera free from any interference by

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Paramount. This court, speaking through Judge Swan for a particularly distinguished bench including Judge Learned Hand and Judge Frank, held that Ricordi was not entitled to so broad a declaration. Ricordi's renewal copyright in the opera extended only to so much of the opera as was "a new work." Hence it was not entitled to make general use of the novel for a motion picture version of its opera but was restricted for that purpose to what was copyrightable as new matter in its operatic version.

*Ricordi* is not determinative here, however, for a fundamental reason: the original 1901 agreement between Long, Belasco, and Ricordi did not purport to run beyond the original term of Long's copyright on the novel. Ricordi neither sought nor obtained operatic rights in the renewal term of the novel in the 1901 agreement, or in any other negotiation.<sup>8</sup> To conclude that the renewal term of a copyright is a new estate free from previous licenses is one thing when, as in *Ricordi*, the parties have never bargained for renewal rights, and another when, as in the case of Mrs. Hull and Joseph Moskowitz, the assignment agreement explicitly included rights to the derivative work during the renewal term.

We find even less helpful to the plaintiffs the decisions previously cited in the California case of *Sunset Securities Company v. Coward McCann, Inc.* For whatever it may be worth, the opinion of the District Court of Appeal is favorable to the defendants and the reversal by the California Supreme Court was on the grounds of contract rather than of copyright law.

<sup>8</sup> As the *Ricordi* court noted, the 1901 agreement "made no allusion to renewal of copyright." 189 F.2d at 471. It did not even contain more oblique language granting operatic rights "for all time." Though Belasco's play fell into the public domain in 1945 at the end of its first term, Long did renew the copyright on his novel, and Ricordi conceded it had never sought a new license for operatic rights from Long for the renewal term.



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The short of the matter is that we have been cited to no case holding that the inability of an author to carry out his promise to effect a renewal of a copyright because of his death prior to the date for obtaining renewal terminates *as a matter of copyright law* the right of a holder of a derivative copyright to continue to publish a derivative work copyrighted before the author's death on which the copyright was thereafter renewed. It is equally true that we have been cited no case upholding such a right.

With arguments based on the "force or validity" clause of § 7 eliminated by the legislative history, we do not believe, despite language in the cases to the effect that the proprietor of a derivative copyright is "protected" only as to the "new matter" conceived by him and that a statutory successor obtains a "new estate" in the underlying copyright, that the vesting of renewed copyright in the underlying work in a statutory successor deprives the proprietor of the derivative copyright of a right, stemming from the § 7 "consent" of the original proprietor of the underlying work, to use so much of the underlying copyrighted work as already has been embodied in the copyrighted derivative work, as a matter of copyright law. That view is only a slight extension of this court's decision in *Edmonds v. Stern*, 248 F. 897 (2 Cir. 1918). There the purchaser of a song, having copyrighted it with the consent of the composer, prepared an operetta and copyrighted an orchestral medley based on the operetta which utilized, among other things, the notes of the song. Later the purchaser assigned the copyright in the song back to the composer. The court held, as an alternate ground of decision, that the reassignment would not deprive the proprietor of the copyright of the score of the right to sell copies of the medley since, as Judge Hough said, 248 F. at 898,

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The two things [the song and the orchestral score] were legally separate, and independent of each other; it makes no difference that such separate and independent existence might to a certain extent have grown out of plaintiff's consent to the incorporation of his melody in the orchestration. When that consent was given, a right of property sprang into existence, not at all affected by the conveyance of any other right.<sup>9</sup>

So here when the purchaser from Mrs. Hull embodied her story in a motion picture which was copyrighted under § 7, the vesting of the renewal right of the story in her daughter did not affect the property right in the copyrighted derivative work.

The District Court and appellees rely also on the views of the leading text writer, Professor Nimmer, and of commentators to the effect that in circumstances such as those here presented performance of the derivative copyrighted film after the expiration of the original term of the underlying copyright and renewal by a statutory successor constitutes an infringement. The only portion of Nimmer's text which deals specifically with this problem is § 118, entitled "The Effect of a Termination of Rights After the Original Term of Copyright Upon Previously Created Copies." This discussion, which covers both book publishers and motion picture producers, makes no reference to the special problem of derivative copyright and statutory successors. Mr. Bricker's article, "Renewal and Extension of Copyright," 29 S. Cal. L. Rev. 23, 43 (1955),

<sup>9</sup> It is true that in stating the facts the court noted that the orchestral arrangement "of course, contained no words." We think that in saying this, the court was simply following the usual and proper judicial practice of deciding only an easier case that is before it rather than a harder one that is not. To our minds the court's reasoning would cover the sale of a text and score of the operetta as well as of the purely orchestral medley.

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likewise discusses the instant problem only briefly and in a conclusory manner. Barbara A. Ringer, the present Register of Copyrights, in her 1960 study for the Senate Judiciary Committee entitled "Renewal of Copyright" (Study No. 31), reprinted in 1 *Studies on Copyright* 503 (Copyright Society of the U.S.A. 1963), is quite tentative on the subject:

It would seem, on the basis of judicial authority, legislative history, and the opinions of the commentators, that someone cannot avoid his obligations to the owner of a renewal copyright merely because he created and copyrighted a "new version" under a license or assignment which terminated at the end of the first term.

1 *Studies on Copyright* 565-66 (footnotes omitted), see also *id.* at 564. Ms. Ringer does not single out the problem of statutory succession and continued use in a case where, unlike *Fitch*, a derivative copyright owner has been promised rights to the renewal term by the deceased author.<sup>10</sup> Professor (now Mr. Justice) Benjamin Kaplan, in his Carpentier Lectures, *An Unhurried View of Copyright* 112 (1967), after characterizing the renewal provisions of § 24 as "a goulash," states that the distinction extrapolated from the *Fred Fisher* case, *supra*, 318 U.S. 643, as between authors who do or do not survive the original term "may operate in a peculiarly perverse way where on the faith of a transfer from the now-deceased

10 Unlike Ms. Ringer, we do not see any significance for the purposes of this case in the references in the 1906-1908 hearings indicating that derivative copyright protected only so much of a new version as was "new matter." See, e.g., Hearings before the House and Senate Committees on Patents on S.6330 and H.R. 19853, at 364-65 (December 1906). This was said to answer expressed fears that the grant of derivative copyright might extend the term of copyright in the underlying work. See the discussion in text, *supra*.

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author, the transferee has created a 'derivative work,' say a movie based on the original novel." One can hardly take this as an authoritative pronouncement that the transferee would not even be entitled to exhibit those copies he has already made, still less as meaning that Mr. Justice Kaplan would be opposed to a holding which avoided so "peculiarly perverse" a result. As against these comments, appellants cite an article by Professor Donald Engel, 12 *Bulletin of the Copyright Society* 83, 119-20 & n. 126 (1964), which concludes:

The cases indicate that the proprietor of the copyright in an authorized new work who no longer has authorization to use the underlying work may continue to use the new work in substantially identical form but may not create a new version of the new work which also constitutes a new version of the underlying work.

and says of *Ricordi*, correctly in our judgment:

the "Madame Butterfly" case did not hold that the proprietor of the copyright in the new work was precluded from making copies of or permitting public performances of the opera, but merely held that he could not make *general* use of the protected underlying material for the creation of a motion picture, itself a new work based upon the underlying copyright which he no longer had authorization to use.

See also Kupferman, "Renewal of Copyright—Section 23 of the Copyright Act of 1909," 44 *Columbia L. Rev.* 712, 724 (1944). We thus do not discern any such impressive record of unanimity among the commentators as influenced the Supreme Court in the *Fred Fisher* case, *supra*, 318 U.S. at 658-59 nn. 5-8. Likewise we find little force in the



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apparent practice of at least some holders of derivative copyrights to obtain consents from identifiable statutory successors. Plaintiffs offered no evidence how widespread the practice is, and when the consent can be obtained cheaply, it is obvious good sense to get it so long as the law remains unsettled.

To such extent as it may be permissible to consider policy considerations, the equities lie preponderantly in favor of the proprietor of the derivative copyright. In contrast to the situation where an assignee or licensee has done nothing more than print, publicize and distribute a copyrighted story or novel, a person who with the consent of the author has created an opera or a motion picture film will often have made contributions both literary, musical and economic as great as or greater than the original author. As pointed out in the Bricker article, *supra*, 29 S. Cal. L. Rev. at 33, the purchaser of derivative rights has no truly effective way to protect himself against the eventuality of the author's death before the renewal period since there is no way of telling who will be the surviving widow, children or next of kin or the executor until that date arrives. To be sure, this problem exists in equal degree with respect to assignments or licenses of underlying copyright, but in such cases there is not the countervailing consideration that large and independently copyrightable contributions will have been made by the transferee. As against this, the author can always protect his heirs by imposing a contractual limit upon the assignment. It is true that this might not be practicable from a business standpoint in cases where the assignment was made shortly before the expiration of the initial term, but those are the very cases where the inequity of terminating the transferee's rights with respect to so much of the underlying work as is embodied in the derivative work is the greatest.

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We find recognition of these policy considerations in §§ 203(b)(1) and 304(c)(6)(A) of the recently enacted copyright revision bill, 90 Stat. 2541 (1976). In connection with a new plan whereby copyright in any work created on or after January 1, 1978 or created before that date but not then yet published or copyrighted shall, with certain exceptions, run for the life of the author plus 50 years, with any grant of a transfer or license subject to a right of termination between the 35th and 40th year of the grant; and the renewal term of any existing copyright is extended for another 19 years subject to a right of termination of any transfer or license at the end of the 28th year of the renewal term over a like period of five years, Congress expressly provided:

A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.

§§ 203(b)(1), 304(c)(6)(A). While it is true that this proviso was part of a package which extended the temporal rights of authors (but also of their assignees) and that the proviso thus does not deal with the precise situation here presented, we nevertheless regard it as evidence of a belief on the part of Congress of the need for special protection for derivative works.<sup>11</sup> We agree, of course, that provisions

<sup>11</sup> See S. Rep. No. 473, 94th Cong., 1st Sess. 111 (1975):

An important limitation on the rights of a copyright owner under a terminated grant is specified in section 203(b)(1). This clause provides that, notwithstanding a termination, a derivative work prepared earlier may "continue to be utilized" under the conditions of the terminated grant; the clause adds, however, that this privilege is not broad enough to permit the preparation of other derivative

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of the new Act cannot be read as varying clear provisions of the 1909 Act in cases to which the new Act does not apply. However, the present situation fits rather well under Judge Lumbard's language in *Goodis v. United Artists Television, Inc.*, 425 F.2d 397, 403 (2 Cir. 1970):

Our decision today is that the result which the proposed legislation would compel is not precluded in any way by the decisions rendered under the present Copyright Act. As discussed earlier, the "problem" with which the proposed legislation deals is one which exists because of judicial dicta rendered in cases not apposite to the factual situation before us in this case.

For these reasons we hold that the licensing by Killiam of exhibition of the film already copyrighted and its exhibition by Broadcasting did not violate the renewal copyright.<sup>12</sup>

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works. In other words, a film made from a play could continue to be licensed for performance after the motion picture contract had been terminated, but any remake rights covered by the contract would be cut off.

See also Second Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1975 Revision Bill, October—December 1975, ch. XI, p. 10:

Section 203 is a compromise that attempts to balance the interests of individual authors and their transferees in a fairer way than the present renewal provision.

<sup>12</sup> Plaintiffs-appellees contend that even assuming the general correctness of our conclusion, there would be an infringement here since the print licensed by Killiam was used by Broadcasting to create a new videotape for television transmission; plaintiffs contend that this amounts to a "new version" of the original film. Since it was stipulated that such a videotape was necessary for television transmission, we see no reason to consider this tape to be a new version of the film. As appellees admit, only a few new subtitles were used in the videotape; the newly incorporated music alone, which was certainly not within plaintiffs' copyright, is not sufficient to make it a new work.

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In view of this holding we have no occasion to pass on the various affirmative defenses raised by appellants and rejected by the District Court. There are two principal ones. Plaintiff Rohauer is alleged to come into court with unclean hands since he frequently exhibited the movie prior to 1965 without obtaining a license either from Miss Hull or from the proprietors of the motion picture copyright. The other is a defense of res judicata based upon a judgment of the District Court for the Southern District of Iowa in an action by Rohauer against another license of Killiam which the latter defended, where the court dismissed the complaint because of Rohauer's refusal to submit to discovery, *Rohauer v. Eastin-Phelan Corporation*, Civ. 72-25-D (S.D. Iowa, Feb. 7, 1974), *aff'd*, 499 F.2d 120 (8 Cir. 1974). If we were obliged to rule on these defenses, we would regard them as warranting somewhat more consideration than did the district judge.

The judgment is reversed with instructions to dismiss the complaint.



**OPINION OF THE DISTRICT COURT**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

RAYMOND ROHAUER and CECIL W. HULL,

Plaintiffs,

-against-

KILLIAM SHOWS, INC., PAUL KILLIAM,  
EDUCATIONAL BROADCASTING CORPORATION and  
THE BOWERY SAVINGS BANK,

Defendants.

71 Civ. 4183

**A P P E A R A N C E S**

Schwartz, Burns, Lesser & Jacoby, New York City  
(Herbert P. Jacoby, Robert E. Suggs, of counsel) for  
plaintiffs.

Abraham M. Fuss, New York City, for defendants  
Killiam Shows, Inc., Paul Killiam, and Educational  
Broadcasting Corporation.

Nicholas A. D'Onofrio, New York City (Alexander M.  
Selkirk, Jr., of counsel) for defendant Bowery Savings  
Bank.

BAUMAN, D.J.

This is an action for copyright infringement brought  
pursuant to the Copyright Act, 17 U.S.C. §1 et seq. The action

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was tried before this court, sitting without a jury, and what  
follows constitutes my findings of fact and conclusions of law  
pursuant to Rule 52(a) of the Federal Rules of Civil Procedure.<sup>1</sup>

Some time prior to May 15, 1925, one Edith Maude Hull, a  
British subject, wrote a novel entitled "The Sons of the Sheik".  
The work was published in the United States on or about May  
15, 1925 by the firm of Small, Maynard & Co., which duly  
registered the work in the United States Copyright Office and  
received thereby a Certificate of Copyright Registration bearing  
the number A:855221. On or about November 23, 1925, Small,  
Maynard transferred the United States Copyright to the author.  
By agreement dated December 7, 1925, she assigned the motion  
picture rights to one Joseph H. Moskowitz. The agreement  
provided, in pertinent part, that "[t]he Seller hereby grants, sells  
and assigns to the Purchaser all the motion picture rights in and  
to the said story for the entire world, together with the sole and  
exclusive right to make motion picture versions thereof . . ." The  
agreement further provided that the author would procure the  
renewal of the copyright prior to its expiration and would  
thereupon assign the motion picture rights for the renewal term  
to Moskowitz.

The succeeding histories of the novel and motion picture  
diverge at this point, and it will be useful to consider each  
separately. Edith Hull, the author, died in 1943. On May 22,  
1952, the United States Copyright in the novel was renewed in  
the name of Cecil Winstanley Hull, a plaintiff herein, who was  
the author's sole surviving child. A Certificate of Renewal  
Copyright was duly issued in her name, bearing the number  
R:95176. On May 6, 1965, Cecil Hull assigned to Raymond  
Rohauer, plaintiff herein, "all of [Hull's] right, title and interest  
(if any) in and to the motion picture and television rights of  
every kind and character throughout the world and in all  
languages in a certain literary and/or dramatic property entitled

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'Sons of the Sheik' . . ." This assignment was registered in the United States Copyright Office on May 18, 1965.

Pursuant to the December 7, 1925 agreement between Edith Hull and Joseph Moskowitz, a motion picture entitled "The Son of the Sheik" starring Rudolph Valentino was produced and released for exhibition in the United States in 1926. It is undisputed that the motion picture is based on the Hull novel.<sup>2</sup> On August 24, 1926, the picture was registered in the Copyright Office by and in the name of Feature Productions, Inc., as assignee of Moskowitz. Its certificate bore the registration number L:23046. This copyright was renewed on March 18, 1954 by and in the name of Art Cinema Associates, Inc., the then proprietor of the copyright. The renewal certificate was numbered R:127185. By agreement dated September 14, 1961 Art Cinema Associates, along with Mrs. Emil Jensen and Walton & Co., sold their interests in the motion picture, including the renewal copyright, to Gregstan Enterprises Inc. Some time thereafter, Gregstan assigned all such interests, including the renewal copyright, to Killiam Shows, Inc., one of the defendants. Paul Killiam, another defendant, is and was an officer, director and sole stockholder of Killiam Shows.

On July 13, 1971, the motion picture was shown on television station WNET, which operates on Channel 13 in the New York metropolitan area and which is owned by the Educational Broadcasting Corporation (hereinafter "Broadcasting"), another defendant. The showing was made possible by a grant of \$75,000 from the Bowery Savings Bank, also a defendant, which was underwriting a series of 12 motion pictures entitled "The Silent Years", all of which were to be shown on WNET. The film required for this exhibition was made by Broadcasting from a print made available to it by Killiam Shows; the consideration paid for the use of the print was furnished to Broadcasting by Bowery.

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The July 13 showing occurred without any license from plaintiffs Rohauer or Hull.<sup>3</sup> Several years earlier, by letter of counsel dated May 12, 1966, Rohauer had informed Killiam of his assignment from Cecil Hull and advised him that any showing of the picture would constitute an infringement of his rights. On July 12, 1971, the day before the first television showing, Rohauer's counsel informed Broadcasting that the scheduled showing would constitute an infringement of rights granted him by Cecil Hull. The instant action was commenced on September 22, 1971, and claimed copyright infringement based on the July 13 showing.

After the action was commenced, the film was shown twice more on Channel 13 as part of "The Silent Years" series: on October 11 and October 16, 1971. By agreement of the parties, the complaint is deemed amended to include the additional showings as alleged acts of infringement.

Also relevant here is a brief recitation of the history of the motion picture's use prior to July 13, 1971. It is undisputed that between 1952 and 1965 Rohauer was responsible for numerous showings of the motion picture, a print of which he had purchased from the president of Art Cinema Associates. It is also undisputed that the motion picture had been shown extensively in the United States as part of a series entitled "Silents Please" which began in 1960; Killiam Shows or its predecessors in interest controlled by Killiam had furnished the print for such showings. The film was also shown on television in Great Britain between 1962 and 1966 as part of the "Silents Please" series. There is no evidence that Cecil Hull ever objected to any of these uses, or that she was aware of them.



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## I.

As the foregoing statement of facts indicates, both sides claim ownership of the motion picture rights to "The Son of the Sheik". The principal legal question which the case presents, then, is whether the grant of the motion picture rights from Edith Hull to Joseph Moskowitz, to which Killiam Shows has succeeded, constituted proper authorization for the showings which took place over Channel 13. Defendants, of course, claim that it does. Plaintiffs, however, argue that the subsequent renewal of the copyright by Cecil Hull following Edith Hull's death extinguished any rights which Moskowitz and his successors in interest acquired. My understanding of the applicable authorities convinces me that plaintiffs' view is correct.

It has been held in this Circuit that when an author of a copyrighted work dies prior to the expiration of the copyright term, and the next of kin applies for renewal before the term expires, he acquires "a new and independent right in the copyright, free and clear of any rights, interests, or licenses attached to the copyright for the initial term." *Fitch v. Shubert*, 20 F. Supp. 314 (S.D.N.Y. 1937); *G. Ricordi & Co. v. Paramount Pictures*, 189 F.2d 469 (2nd Cir. 1951); *Silverman v. Sunrise Pictures Corp.*, 273 F. 909 (2nd Cir. 1921). See also Bricker, "Renewal and Extension of Copyright", 20 So. Calif. L. Rev. 23 (1955) at pp. 27-31. I also find highly persuasive the views of the leading text writer in this field: "If the author (or other assignor of the renewal expectancy) is not living when the renewal rights vest, then those persons who by statute succeed to the renewal rights are not bound by any assignment executed by the author (or by any assigning member of a prior renewal class) so that the assignee takes nothing." *Nimmer on Copyright*, §117.3.

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Nimmer has also addressed the precise question with which I am confronted here:

"A motion picture producer whose rights in the 'underlying' work terminate at the expiration of the original term may not thereafter make additional 'prints' of the film, nor may he reproduce a new motion picture based upon the same work. Both of such acts would constitute unauthorized copying. A more difficult question is whether the mere exhibition in theatres or on television of previously created film prints constitutes an infringement of copyright in the underlying work. It would seem that such conduct would constitute an infringement of either the right to make copies, the right to make other versions, the right to dramatize a non-dramatic work, or the right to perform a 'transcription or record' of a non-dramatic literary work." *Nimmer, supra*, §118.

Defendant argues, as I understand it, that the motion picture is an independently copyrighted derivative work, the use of which cannot be controlled by the holder of the renewal copyright in the underlying work. Although the view is hardly illogical, I can find no support for it in the applicable precedents; as I have already noted, such precedents as do exist repudiate this argument. One case that directly considered the supposed "independence" of a derivative work is *Sunset Securities Company v. Coward-McCann, Inc.*, 47 Cal. 2d 907, 306 P.2d 777 (1957), reversing 297 P.2d 137 (Dist. Ct. of Appeal, 2nd Dist. 1956). In that case a publisher which was the proprietor of a duly copyrighted novel sold the motion picture rights to a film company under an agreement which gave the purchaser such rights for a ten year period. The agreement

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further provided that all rights would revert to the publisher at the end of that period unless the purchaser paid an additional sum. A motion picture was duly made, and, after several proceedings not relevant here, the purchaser's successor in interest brought an action against the publisher to "quiet title" to the motion picture and to confirm its right to exploit it beyond the expiration of the ten year period. The District Court of Appeals accepted plaintiff's argument, and in so doing employed reasoning strikingly similar to that of the defendants here: "the film 'Ruthless' was actually made and copyrighted within the ten year period. The film is a separate entity from 'Prelude to Night' [the novel]. It may be separately copyrighted. 17 U.S.C.A. §5(e). The agreement conveyed to [the purchaser] the right to copyright the film. As a copyright endures for twenty eight years . . . , defendant's contention that the copyright taken out on 'Ruthless' would revert to defendant at the end of ten years is implausible." 297 P.2d at 140. The California Supreme Court unanimously reversed this holding. Although its opinion relied principally on the construction of the original agreement, the court clearly rejected the lower court's theory that motion picture rights, once granted, cannot revert to the proprietor of the underlying work if a motion picture is made and copyrighted by the grantee.

Plaintiff also finds support for his position in the proposed revision of the Copyright Law which has been before Congress since 1965. §203(b)(1) of a recent incarnation of that bill<sup>4</sup> provides as follows:

"A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant."

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Although this might well be deemed an admirable statement of what the law should be, it is scarcely persuasive of what the law is. As our Court of Appeals has noted, the proposed revisions of the Copyright Act command adherence only insofar as "the result which the proposed legislation would compel is not precluded in any way by the decisions rendered under the present Copyright Act." *Goodis v. United Artists Television, Inc.*, 425 F.2d 397 (2nd Cir. 1970). My reading of cases such as *Fitch* and *Ricordi* convinces me that they are inconsistent with proposed §203(b)(1). I therefore can accord it no weight, and must reject defendants' argument that the owner of an independently copyrighted derivative work may continue to exploit it beyond the original term of the underlying work.

## II.

My discussion in the preceding section suffices to establish that, save for the affirmative defenses to be considered below, plaintiffs' copyright was infringed by the showings of "The Son of the Sheik". The fact that the showings were broadcast over Broadcasting's facilities with the aid of a print furnished by Killiam Shows establishes the liability of those two defendants. It is well settled — and not disputed by Broadcasting here — that a broadcasting company which broadcasts infringing material over its facilities is liable for infringement. *Bradbury v. Columbia Broadcasting System, Inc.*, 287 F.2d 478 (9th Cir.), *cert. dismissed*, 368 U.S. 801 (1961). A more difficult question is whether defendants Paul Killiam and Bowery Savings Bank can be held liable as contributory infringers, and it is to that question I now turn.

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FOOTNOTES

1. The underlying facts are largely undisputed; indeed, the brief recitation of the evidence that ensues is based principally on an extensive stipulation of facts to which all parties agreed.

2. Neither the novel nor the motion picture was produced in evidence. I have not read the novel, and I have not seen the motion picture since the time I was taken by my parents as a young boy. The parties, however, have stipulated as follows: "The photoplay embodies incidents portrayed in the work, utilizes the characters created by the Author appearing in and acting out sequences from the work, and was and is a dramatic version of the work in motion picture form." (Stipulation of Facts, ¶ 13.)

3. It might be noted at this juncture that Cecil Hull is a nominal party plaintiff and has been joined solely because she is the record owner of the renewal copyright to the novel. *Independent Wireless Telegraph Company v. Radio Corporation of America*, 269 U.S. 443 (1926). Miss Hull has been confined to a nursing home in England since 1969, and her joinder in this action has been authorized by the Court of Protection in Great Britain.

4. S. 1361, introduced in the 1st Session of the 92nd Congress.

RELEVANT STATUTES

17 U.S.C. §7: "*Copyright on compilations of works in public domain or of copyrighted works; subsisting copyrights not affected*"

Compilations or abridgments, adaptations, arrangements, dramatizations, or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter, shall be regarded as new works subject to copyright under the provisions of this title; but the publication of any such new works shall not affect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to imply an exclusive right to such use of the original works, or to secure or extend copyright in such original works."

17 U.S.C. §24: "*Duration; renewal and extension*"

The copyright secured by this title shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author's true name or is published anonymously or under an assumed name: Provided, That in the case of any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and

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extension of the copyright in such work for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: And provided further, That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: And provided further, That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication."